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November 19, 1993

Office of the Secretary
Federal Communications Commission
1919 M. Street N.W.
Washington, DC 20554

Re: PP Docket No. 93-253
Section 309(j) Rule Making

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FCC - MAIL ROOM

Dear Commissioners,

I am writing to you about the upcoming distribution of the remaining IVDS spectrum. I have already written to Mr. Ralph Haller on this matter; I feel very strongly that lotteries are the fair and correct method. A copy of my correspondence is enclosed, and I request you read it before acting.

If, notwithstanding my efforts, the esteemed commissioners decide to hold auctions for IVDS spectrum, I wish to support the referenced brief submitted by Mr. Quentin L. Breen, president of Romulus Telecommunications, Inc. As a small businessman, I believe I should have a fair and equal chance to participate in IVDS. Without special rules, including the idea of bidding on a down payment with future royalty payments made to the treasury, I do not see how I can compete with the megalithic firms which will enter the bidding. Unless small business is allowed to participate in IVDS, we will only see more consolidation and power concentration in the hands of corporate giants. Congress recently addressed this problem by "re-regulating" cable. This attempt has seen mixed results.

It is not an easy matter to battle these giants once they are entrenched. Rather, the best way to avoid this situation is to ensure small business plays a role in providing these services at the outset. Lotteries are the most effective way to achieve this end. Absent that, I urge the Commission to adopt competitive bidding rules which puts David on equal ground with Goliath.

Sincerely,

George C. Dick
George C. Dick
President

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October 25, 1993

Mr. James Quello
Federal Communications Commission
1919 M Street NW
Washington, DC 20554

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FCC - MAIL ROOM

Dear Mr. Quello,

I am writing you concerning the upcoming FCC decision concerning whether to distribute the rights to the IVDS radio spectrum by lottery or by auction.

I have invested over \$125,000 in engineering work and application fees for the remaining markets with a company called Romulus Engineering (IVD) Inc. Should I not be able to participate in IVDS because the FCC decides to auction off this spectrum, I stand to lose the majority of that investment, as the engineering fees have been consumed to prepare the applications. They are not recoverable.

I run a small business here in Kentucky, and this loss would be catastrophic to me. Though I realize I was not guaranteed to win a market in the lottery, by making such a large investment I was able mathematically to increase my odds enough to give me a good chance of winning at least one license. It is through the lottery system that I as a small businessman have the opportunity to compete with multi-billion dollar corporations for a public good that is the property of all the people of the United States. An open auction will deprive me of that opportunity as I do not have the resources to compete against giant corporations.

Further, and what is more distressing, is that the rules for IVDS have changed after a substantial amount of time has passed and money spent. It is one thing to auction future radio spectrum when everybody knows from the beginning what the rules of the game are. But to change what began as a lottery into an auction is unfair, and will penalize me and hundreds of other honest citizens without good reason. Whether or not an auction might bring in more money to the FCC is not the relevant issue. This question is much larger: it is a matter of ethics and public trust in our government. To reverse course in mid-stream on IVDS would be a patent denial of the ideals and principles upon which America was founded.

I have forwarded copies of this letter on to my congressman and President Clinton, and I trust that you and my elected governors will have the moral courage to make the right choice: which is to keep the IVDS lotteries in place as originally announced.

Regards,

George C. Dick
George C. Dick
President

November 8, 1993

Mr. Ralph Haller
Chief, Private Radio Bureau
Federal Communications Commission
Washington, DC 20554

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Reference: 7230-A/1700C1

FCC - MAIL ROOM

Dear Mr. Haller,

Thanks for responding so quickly to my letter of October 25. Though you have detailed a lot of history on IVDS, I am not satisfied that I have made my point clear.

The FCC still has a *choice* of whether or not to hold lotteries or competitively auction the remaining IVDS spectrum. Your letter leads me to believe that you feel this issue is decided and the matter is closed - and that the only thing left to deal with is how to structure the rules auctioning the spectrum.

You refer to the FCC having it's lottery authority limited by Omnibus Budget Reconciliation Act of August 10, 1993. That limitation concerns itself with the key issue of whether or not IVDS services will be made available to the public on a "pay" or "free" basis. In fact, and I quote the House/Senate Conference report on this matter:

Under the terms of the Conference Agreement, competitive bidding procedures would be utilized for a limited number of licenses. These procedures will only be utilized when the Commission accepts for filing mutually exclusive applications for a license, and the Commission has determined that the principal use of that license will be to offer service in return for compensation from subscribers.

So, in absence of any proof that IVDS will be a "subscriber" based service, the FCC is still mandated to hold lotteries for IVDS spectrum. *It's not the lottery authority that is limited by this act, but the competitive bidding authority.*

Finally, I submit there is no real evidence in existence as to whether the IVDS will be a "subscriber" based or not. Lacking that, the FCC should, by the reasons I mentioned in my first letter to you, continue with the original plan to hold lotteries for the remaining IVDS spectrum.

Regards,


George C. Dick
President